

290 - HEALTH MAINTENANCE ORGANIZATION HEALTH PLANS ISF

Operational Summary

Description:

The Health Maintenance Organization Health Plans Internal Service Fund (ISF) provides health benefits to employees, retirees, and their dependents enrolled in health plans covered by Health Maintenance Organizations (HMO).

Strategic Goals:

- Fund 290 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

Health Maintenance Organization Health Plans - The Health Maintenance Organization Health Plans Internal Service Fund (ISF) provides health benefits to employees, retirees and their dependents enrolled in health plans covered by Health Maintenance Organizations (HMO).

Ten Year Staffing Trend Highlights:

- This Internal Service Fund has no positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Fund 290 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	89,234,129
Total Recommended FY 2007-2008	105,504,472
Percent of County General Fund:	N/A
Total Employees:	0.00

Changes Included in the Recommended Base Budget:

Medical inflation (trend) continues to rise causing an increase in medical, hospital, and prescription drug costs. These rising costs are reflected in an increase in health plan premiums.

The health plan premiums for active employees and retirees will be pooled separately (split pool) in 2008. This will result in a redistribution of the total health plan premiums between employees and retirees. The implementation of split pool rates will partially help to offset the projected trend increase for in HMO premiums for County employees.

Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07		Projected Amount	Percent
Total Revenues	85,090,098	88,993,328	92,461,600	105,504,472	13,042,872	14.11
Total Requirements	80,953,073	88,993,329	89,234,129	105,504,472	16,270,343	18.23
Balance	4,137,025	(1)	3,227,471	0	(3,227,471)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Health Maintenance Organization Health Plans ISF in the Appendix on page A702

Highlights of Key Trends:

- Medical inflation (trend) continues to rise causing an increase in medical, hospital, and prescription drug costs. These rising costs are reflected in an increase in County health plan premiums as well as other employers. The health plan premiums for active employees and retirees will be pooled separately (split pool) in 2008.

This will result in a redistribution of the total health plan premiums between employees and retirees. The implementation of split pool rates will partially help to offset the projected trend increase for in HMO premiums for County employees.

290 - Health Maintenance Organization Health Plans ISF

Operation of Internal Service Fund 290 Operational Statement for the Fiscal Year 2007-2008

Operating Detail		FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2007-2008
		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
OPERATING INCOME					
7710	Insurance Premiums	83,465,013	88,324,576	102,277,000	102,277,000
Total Operating Income		83,465,013	88,324,576	102,277,000	102,277,000
OPERATING EXPENSES					
Other Charges					
3500	Judgments and Damages	1,820	0	0	0
3520	Insurance Claims	80,951,254	0	0	0
3530	Insurance Premiums	0	89,234,129	105,504,472	105,504,472
Total Operating Expenses		80,953,074	89,234,129	105,504,472	105,504,472
Total Operating Income (Loss)		2,511,939	(909,553)	(3,227,472)	(3,227,472)
NON-OPERATING REVENUE					
7950	Adjustments Due to Reclassification	1,625,085	0	0	0
Total Non-Operating Revenue		1,625,085	0	0	0
Net Non-Operating Income (Loss)		1,625,085	0	0	0
Income (Loss) Before Contributions & Transfers		4,137,025	(909,553)	(3,227,472)	(3,227,472)
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED					
Income (Loss) Before Contributions & Transfers		4,137,025	(909,553)	(3,227,472)	(3,227,472)
Increase (Decrease) in Net Assets - Unrestricted		4,137,025	(909,553)	(3,227,472)	(3,227,472)
Net Assets - Unrestricted - Beginning of Year		0	4,137,025	3,227,472	3,227,472
Net Assets - Unrestricted - End of Year		4,137,025	3,227,472	0	0